

EXHIBIT 5DATE 2-12-07BS 2DEPARTMENT OF
PUBLIC HEALTH AND HUMAN SERVICESBRIAN SCHWEITZER
GOVERNORJOAN MILES
DIRECTOR

STATE OF MONTANA

www.dphhs.mt.gov

PO Box 4210
HELENA, MT 59604-4210

Date: January 31, 2007

To: Edith Clark, Chair
Health and Human Services Committee

From: John Chappuis, State Medicaid Director
John Chappuis

Subject: HIFA Waiver Reallocation

The Department would like to provide the following options for the committee to consider if CMS will not allow the Department to cover children on the CHIP benefit or if due to CHIP reauthorizations, the additional coverage of CHIP children is not necessary. As the HIFA Waiver refinances MHSP funds, it is the desire of the Department to focus on increasing benefits to that population should the additional benefit not be necessary for children under 150% of FPL. However, there are other options listed below for your consideration. Please remain aware that shifting HIFA waiver funding from optional groups (i.e. MHSP individuals) could adversely impact the budget neutrality of the waiver. Specific proposal to shift significant funding to an expansion group should be analyzed on a case-by-case basis. Please contact me at 444-4084 with any questions. Thanks.

- Uninsured Mental Health Services Plan (MHSP)
 - Increase the monthly prescription drug limit (currently \$425 per month). If this option is chosen, it would apply to all MHSP individuals, including those not enrolled in the waiver. This could adversely impact the waiver by shifting state funds from waiver enrolled MHSP individuals to non waiver MHSP.
 - Increase the physical healthcare benefit (currently set at an average of \$166 per month).
 - Increase the current \$200,000 waiver total for MHSP inpatient acute psychiatric services.
 - Provide wrap-around services for MHSP participants who are insured but lack certain coverage (i.e. Dental, Denturist, Eyeglasses).

A primary objective of a HIFA waiver is to expand health care coverage to the uninsured. Increasing the waiver funding devoted to MHSP might reduce the number of individuals for whom we provide new health care coverage, making the proposal less appealing to CMS.

- Increase the Developmental Disability waiver slots for children who age out of Part C benefits and are not yet eligible to receive benefits through school programs (children age 4 to 6).
- Expand Waiver to serve new populations
 - Cover working Adults age 18 – 22 with the three physical health options.
 - Provide a limited prescription drug coverage for fixed number of uninsured Montanans up to 200% FPL who are not eligible for Partnership for Prescription Assistance Programs or employer based insurance.
- Uninsured SED Youth 18-20 formerly in Foster Care
 - Increase the \$4,500 transitional mental health services limit.
 - Raise the age limit to 22 for employed SED Youth.
 - Raise the age limit to 22 for those attending college or secondary school. Provide limited wrap-around coverage to insurance offered by the institution.
- Increase the physical healthcare benefit (currently set at an average of \$166 per month) for the uninsured Working Parents of Children with Medicaid.

2/12/07

The following are the additional options suggested by Lois Steinbeck from Legislative Fiscal Division on 2/6/07. Please see the italicized response from the Department for each suggestion.

- 1) **Increasing the number of MHSP "slots" in the waiver – statute allows eligibility to 160% of the poverty level.** *Montana statute does allow MHSP eligibility up to 160% of the federal poverty level. This expanded population is potentially an option.*
- 2) **Increasing drug coverage only for a population up to 200% of the FPL who have a serious mental illness and are transitioning out of the state hospital or prison.** *We could potentially expand the HIFA waiver to include this population. This population would be included with the other expanded populations in the waiver and requires budget neutrality analysis.*
- 3) **Adding slots for a mental health and limited physical health package for children up to age 24 with mental health needs in families with incomes up to 160% of the federal poverty level (MHSP for children).** *This suggestion is potentially feasible. Note: We could increase the current waiver federal poverty level for uninsured children up to age 19 and uninsured SED youth aged 18-20 if an increase in the CHIP FPL is passed during this session.*
- 4) **Funding mental health wrap around services for SED children served in HRD.** *This would be potentially doable but we are not sure what additional services are needed. Extended mental health benefits for CHIP children with a serious emotional disturbance (SED) became available March 1, 2006. Intangible life skills will be offered through the waiver to SED children.*

- 5) **Add slots for traumatic brain injury victims up to 200% of the FPL, with specialized services for the group.** *We're not sure if this population could be covered as an expanded group but we can research.*
- 6) **Also, we had questions about why the age limit for some coverage groups is 22? Is there a particular reason that 22 was chosen.** *If you go past age 21, you hit expanded groups vs. optional groups which affect the waiver budget neutrality. This could be a problem with some of the above.*
- 7) **Finally, we also had questions about whether the "gap" group of children receiving DD services could be served through the existing Medicaid waiver, and if not, why not.** *This group could be served under the waiver for additional money. The children's cost and budget neutrality would need to be analyzed.*